

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;  
Nanci E. Langley, Vice Chairman;  
Mark Acton;  
Tony Hammond; and  
Robert G. Taub

Competitive Product Prices  
Global Expedited Package Services 3 (MC2010-28)  
Negotiated Service Agreement

Docket Nos. CP2012-30  
CP2012-31

NOTICE AND ORDER CONCERNING FILING OF TWO ADDITIONAL GLOBAL  
EXPEDITED PACKAGE SERVICES 3 NEGOTIATED SERVICE AGREEMENTS

(Issued May 23, 2012)

I. INTRODUCTION

On May 21, 2012, the Postal Service filed a notice announcing that it intends to enter into two additional Global Expedited Package Services 3 (GEPS 3) contracts.<sup>1</sup> The Postal Service states that the instant contracts are functionally equivalent to the contract filed in Docket No. CP2010-71 (GEPS 3 baseline agreement) and are supported by Governors' Decision No. 08-7 attached to the Notice and originally filed in Docket No. CP2008-5. *Id.* at 1-4, Attachment 3. The Notice explains that Order

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<sup>1</sup> Notice of United States Postal Service of Filing Two Functionally Equivalent Global Expedited Package Services 3 Negotiated Service Agreements and Application for Non-Public Treatment of Materials Filed Under Seal, May 21, 2012 (Notice).

No. 503 authorized functionally equivalent agreements to be included in the GEPS 3 product, provided that these agreements meet the requirements of 39 U.S.C. 3633. *Id.* at 2.

*The instant contracts.* The Postal Service filed the two instant contracts pursuant to 39 CFR 3015.5. In addition, the Postal Service contends that the instant contracts are in accordance with Order No. 503. *Id.* at 2. For each contract, the Postal Service will notify the mailer of the effective date within 30 days after all necessary regulatory approvals have been received (Effective Date). The instant contracts will remain in effect for 1 calendar year after the Effective Date, unless either party terminates the agreement. The contracts may be terminated, among other instances, upon 30 days written notification by either party. *Id.* Attachment 1A at 6; Attachment 1B at 6-7.

In support of its Notice, the Postal Service filed four attachments as follows:

- Attachment 1A—a redacted copy of the first instant contract;
- Attachment 1B—a redacted copy of the second instant contract;
- Attachment 2A—a certified statement required by 39 CFR 3015.5(c)(2) for the first instant contract;
- Attachment 2B—a certified statement required by 39 CFR 3015.5(c)(2) for the second instant contract;
- Attachment 3—a copy of Governors' Decision No. 08-7, which establishes prices and classifications for Global Expedited Package Services Contracts;
- Attachment 4—an application for non-public treatment of materials to maintain redacted portions of the contract and supporting documents filed under seal.

The Notice sets forth reasons why the instant contracts are functionally equivalent to the GEPS 3 baseline agreement. It states that the instant contracts differ from the GEPS 3 baseline agreement in several ways pertaining to the revisions or clarifications of terms, *e.g.*, revised options for tendering the mail, minimum revenue commitment, customs and export requirements, an exception of Flat Rate items from the definition of qualifying mail, and an additional article concerning Intellectual

Property, Co-Branding, and Licensing. *Id.* at 4-6. It asserts that “[b]ecause the agreements incorporate the same cost attributes and methodology, the relevant characteristics of these two GEPS contracts are similar, if not the same, as the relevant characteristics of previously filed contracts.” *Id.* at 4.

The Postal Service concludes that its filing demonstrates that the instant contracts comply with the requirements of 39 U.S.C. 3633 and are functionally equivalent to the GEPS 3 baseline agreement. Therefore, it requests that the instant contracts be included within the GEPS 3 contract product. *Id.* at 6.

## II. NOTICE OF FILING

The Notice filed in each of these dockets is identical. In it, the Postal Service seeks to add two additional GEPS 3 contracts to the GEPS 3 product. The contracts should have been filed in separate dockets. In the future, when it files multiple contracts concerning the same product, the Postal Service must file separate notices (in separate dockets) for each contract. This process ensures transparency and facilitates the Commission review.

The Commission establishes Docket No. CP2012-30 for consideration of matters related to the contract attached to the Postal Service’s Notice as Attachment 1A, and Docket No. CP2012-31 for consideration of matters related to the contract attached to the Postal Service’s Notice as Attachment 1B.

Interested persons may submit comments on whether the Postal Service’s contract is consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than May 30, 2012. The public portions of these filings can be accessed via the Commission’s website, <http://www.prc.gov>.

The Commission appoints Natalie Rea Ward to serve as Public Representative in Docket Nos. CP2012-30 and CP2012-31.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission establishes Docket No. CP2012-30 for consideration of matters related to the contract attached to the Postal Service's Notice as Attachment 1A.
2. The Commission establishes Docket No. CP2012-31 for consideration of matters related to the contract attached to the Postal Service's Notice as Attachment 1B.
3. Comments by interested persons in these proceedings are due no later than May 30, 2012.
4. Pursuant to 39 U.S.C. 505, Natalie Rea Ward is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in Docket No. CP2012-30.
5. Pursuant to 39 U.S.C. 505, Natalie Rea Ward is appointed to serve as an officer of the Commission (Public Representative) to represent the interests of the general public in Docket No. CP2012-31.
6. The Secretary shall arrange for publication of this Order in the *Federal Register*.

Shoshana M. Grove  
Secretary